

**HERCULES RDA SUCCESSOR AGENCY  
OVERSIGHT BOARD SPECIAL MEETING**

**Monday, January 25, 2016**

**6:00 P.M.**

**Hercules City Hall - Council Chambers**

**111 Civic Drive**

**Hercules, CA 94547**

**AGENDA**

**I. ROLL CALL – CALL TO ORDER**

**II. PLEDGE OF ALLEGIANCE**

**III. PUBLIC COMMUNICATIONS**

This time is reserved for members of the public to address issues not included in the agenda. In accordance with the Brown Act, the Board will refer to staff any matters brought before them at this time, and those matters may be placed on a future agenda.

Individuals wishing to address the Oversight Board are asked to complete a form indicating the name and address of the speaker and the general topic to be addressed. Speakers must make their comments from the podium and will be allowed three (3) minutes to discuss their concerns. All public comments are recorded and become part of the public record. A limit of thirty (30) minutes will be devoted to taking public comment at this point in the agenda. If any speakers remain at the conclusion of the initial thirty-minute period, time will be reserved at the conclusion of the meeting to take the remaining comments.

**IV. CONSENT CALENDAR**

**V. DISCUSSION AND/OR ACTION ITEMS**

1. Adopt a resolution approving the Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17A and ROPS 16-17B)

**VI. FUTURE AGENDA ITEM REFERRALS**

In accordance with the provisions of the Brown Act, matters which do not appear on this agenda but require Oversight Board discussion may be either (a) referred to staff for factual information or (b) placed on a future meeting agenda.

**VII. OVERSIGHT BOARD AND STAFF ANNOUNCEMENTS**

This is the time for brief announcements on issues of interest to the community.

**VIII. ADJOURNMENT**

**THE HERCULES RDA SUCCESSOR AGENCY OVERSIGHT BOARD ADHERES TO THE FOLLOWING POLICIES, PROCEDURES AND REGULATIONS REGARDING BOARD MEETINGS:**

1. In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a Board meeting, please contact the City Clerk at 510-799-8215 at least 48 hours prior to the meeting.
2. In order to ensure the efficient conduct of City Council meetings, and to provide opportunities for all interested persons to speak and be heard, the City Council will adhere to the following meeting procedures:

Public Comment Period

- Persons wishing to speak must complete and submit a speaker's card.
- The Oversight Board will listen with respect and an open mind.
- Board responses to speakers will be as follows:
  - 1) Responses will be after all speakers have been heard.
  - 2) Short answers by the Board or staff as appropriate may be given; or
  - 3) Items may be directed to staff for later action/follow-up; or
  - 4) Items may be placed on a future agenda at the discretion of the Board.
- Conversation between the public and staff or the Board will not be allowed.
- A three-minute time limit per speaker will be enforced when there are numerous speakers addressing a single agenda item.

Process for Addressing Agenda Items Before the Oversight Board

- Chair reads the agenda item
- Staff presents their report
- Board members questions staff
- Public comments are heard
- Board discusses item
- A motion is made
- Final Board discussion
- Board votes or provides direction to staff

# AGENDA ITEM REQUEST FORM

**Department:** Finance

**Department Director:** Getachew Demeku-Ousman

**Phone:** 799-8200

**Meeting Date:** January 25, 2016

**Final Decision Date Deadline:**

**SUBJECT:**

Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17A and 16-17B)

**INDICATE APPROPRIATE BODY**

- |  |   |   |   |
|--|---|---|---|
| <input type="checkbox"/> City Council        | <input type="checkbox"/> Successor Agency to the Redevelopment Agency | <input type="checkbox"/> Public Finance Authority   | <input type="checkbox"/> Finance Commission |
| <input type="checkbox"/> Planning Commission | <input type="checkbox"/> Community/Library Services Commission        | <input checked="" type="checkbox"/> Oversight Board |   |

**ITEM**

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Presentation/Introduction    | <input type="checkbox"/> Study Session         | <input type="checkbox"/> Grant Application/Acceptance |
| <input type="checkbox"/> Public Hearing               | <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Video/PowerPoint             |
| <input type="checkbox"/> Consent Calendar             | <input type="checkbox"/> Consent Calendar      |   |
| <input checked="" type="checkbox"/> Discussion Action | <input type="checkbox"/> Contract/Agreement    |   |

**RECOMMENDED ACTION:**

Adopt a resolution approving the Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17A and 16-17B)

**AGENDA ITEM NO:**

V.1

**STAFF REPORT TO THE OVERSIGHT BOARD FOR THE CITY OF HERCULES AS  
SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY**

**DATE:** January 25, 2016

**TO:** The Oversight Board for the City of Hercules as Successor Agency to the Hercules Redevelopment Agency

**SUBMITTED BY:** David Biggs, City Manager  
Getachew Demeku-Ousman, Interim Director of Finance

**SUBJECT:** Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17A and ROPS 16-17B)

**RECOMMENDED ACTION:**

Adopt a resolution approving the Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17A and ROPS 16-17B).

**DISCUSSION:**

AB x1 26 (Section 34177) requires that Successor Agencies must, amongst other things, prepare a Recognized Obligation Payment Schedules (ROPS) for each upcoming six-month period. A ROPS is the document that sets forth the minimum payment amounts and due dates of payments required by enforceable obligations. Enforceable obligations are defined in Section 34171(d) of AB x1 26 and include the payment of bonds and loans, payments required by the federal government, judgments or settlements, any legally binding agreement or contract, and contracts or agreements necessary for the administration or operation of the successor agency.

Health & Safety Code section 34177(m) (1) requires successor agencies to submit the ROPS electronically and in a manner prescribed by the State of California Department of Finance. As of January 22, 2013 the State of California Department of Finance implemented a new ROPS naming convention. Instead of referring to the July to December 2013 ROPS as "ROPS IV", the naming convention being used is "ROPS 13-14 A". This naming convention refers to which fiscal year the ROPS is related to and which period (A-the first half of the fiscal year and B-the second half of the fiscal year.) The ROPS for January to June 2014 will be referred to as "ROPS 13-14 B". The ROPS for July to December 2014 will be referred to as "ROPS 14-15 A". And so on and so on.

As of August 15, 2013, the State of California Department of Finance implemented a web-based application known as the Redevelopment Agency Dissolution (RAD) web application for reporting ROPS 13-14 B and all future ROPS. The State of California Department of Finance will not e-mail the ROPS template (excel workbook) to Successor Agencies and Successor Agencies will no longer e-mail the completed template to the State of California Department of Finance. The Successor Agencies must upload the completed template and Oversight Board Resolution via the RAD App.

The Successor Agencies must continue to submit the Excel ROPS and Oversight Board resolution via e-mail to the County-Auditor Controller and the State Controller's Office.

The ROPS template (excel workbook) used for ROPS 16-17 combined ROPS 16-17A and ROPS 16-17B and includes the following worksheets in the excel workbook:

**Recognized Obligation Payment Schedule Summary**

**Recognized Obligation Payment Schedule – ROPS Detail**

**Recognized Obligation Payment Schedule – Report of Cash Balances** – This worksheet includes a section for ROPS 15-16 A (July 1, 2015 through December 31, 2015) and a section for ROPS 15-16 B (January 1, 2016 through June 30, 2016).

**Recognized Obligation Payment Schedule – Notes**

#### Highlights for ROPS 16-17A

Included on the ROPS 16-17 is the Summary worksheet which includes ROPS 16-17A and ROPS 16-17B. Enforceable Obligations for ROPS 16-17A is \$20,543,166. This amount is comprised of Non-Administrative Costs of \$20,410,488; Administrative Costs \$132,678 (this amount includes the cost of the City Manager, Director of Finance, and Accounting Technician in the amount of \$57, 428; supplies \$250; and legal fees of \$75,000). Details of the amounts for ROPS 16-17A are on the ROPS Detail worksheet.

Also, included on the ROPS 16-17 Summary worksheet is ROPS 16-17B. Enforceable Obligations for ROPS 16-17B is \$17,517,424. This amount is comprised of Non-Administrative Costs of \$17,384,746; Administrative Costs \$132,678 (this amount includes the cost of the City Manager, Director of Finance, and Accounting Technician in the amount of \$57, 428; supplies \$250; and legal fees of \$75,000). Details of the amounts for ROPS 16-17B are on the ROPS Detail worksheet.

On the ROPS 16-17 Report of Cash Balance worksheet, the Redevelopment Property Tax Trust Fund (RPTTF) money received for ROPS 15-16A (July 1, 2015 through December 31, 2015) is \$5,197,500 and RPTTF estimated to be received for ROPS 15-16B (January 1, 2016 through June 30, 2016) is \$5,249,275.

The ROPS 15-16B Notes includes the detail of the principle and interest owed on the bonds and a detail of the estimate owed to the taxing entities.

The Successor Agency Contact Information is on the RAD website. For additional ROPS 16-17 instructions please refer to the State of California Department of Finance website: [www.dof.ca.gov/redevelopment](http://www.dof.ca.gov/redevelopment) scroll down to the section entitled Links, click on Recognized Obligation Payment Schedules, click on ROPS 16-17 Template Instructions.

The Recognized Obligation Payment Schedule (ROPS) are posted on the City of Hercules website ([www.ci.hercules.ca.us](http://www.ci.hercules.ca.us)).

#### **ATTACHMENTS:**

1. Resolution (which includes Exhibit A Recognized Obligation Payment Schedule July 1, 2016 through June 30, 2017).

**RESOLUTION NO. 16-**

**THE CITY OF HERCULES AS SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017 (INCLUDES ROPS 16-17A AND ROPS 16-17B)**

**WHEREAS**, on December 29, 2011, the California Supreme Court issued its final decision in the litigation of *California Redevelopment Association v. Matosantos*, upholding Assembly Bill x1 26 (codified as Health and Safety Code 34161-34191) (“ABx1 26”) and invalidating Assembly Bill x1 27 (the legislation that would have permitted redevelopment agencies to continue operation if their sponsoring jurisdiction agreed to make certain payments for the benefit of schools and special districts); and as a result, all California redevelopment agencies were dissolved, effective February 1, 2012; and

**WHEREAS**, pursuant to Health and Safety code 34173(d), on January 10, 2012 by Resolution No 12-005, the Council of the City of Hercules elected to become the Successor Agency to the Hercules Redevelopment Agency (“Agency”) (Non housing); and

**WHEREAS**, California Health and Safety Code section 34179 requires that each Successor Agency have an Oversight Board; and

**WHEREAS**, Section 34177 requires each Successor Agency to prepare a draft Recognized Obligation Payment Schedule (ROPS) and section 34180 requires the Oversight Board to approve same; and

**WHEREAS**, Section 34177 provides that each ROPS shall be forward looking to the next six months; and

**WHEREAS**, on June 27, 2012 AB 1484 was approved by the Governor of California and AB 1484 (Section 34177) (m) states that the Recognized Obligation Payment Schedule shall be submitted by the successor agency, after approval by the oversight board to the State of California Department of Finance.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Hercules as Successor Agency to the Hercules Redevelopment Agency, hereby finds and determines:

- (1) Approval of the ROPS for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) attached hereto as Exhibit A.
- (2) Successor Agency staff is directed to provide a copy of this Resolution along with the approved draft ROPS to the County Auditor Controller, the State Controller’s Office and the State Department of Finance.

The foregoing Resolution was duly and regularly adopted by the City of Hercules as Successor Agency to the Hercules Redevelopment Agency at its meeting held on the twelfth day of January, 2016 by the following:

AYES:

NOES:

ABSENT:

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Dan Romero, Chair

ATTEST:

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Margaret S. Roberts, MMC  
Administrative Services Director/City Clerk

**Recognized Obligation Payment Schedule (ROPS 16-17) - Summary**

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Hercules  
 County: Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>		<b>16-17A Total</b>	<b>16-17B Total</b>	<b>ROPS 16-17 Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>				
<b>A</b>	<b>Sources (B+C+D):</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	-	-	-
D	Other Funding	-	-	-
<b>E</b>	<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 20,543,166</b>	<b>\$ 17,517,424</b>	<b>\$ 38,060,590</b>
F	Non-Administrative Costs	20,410,488	17,384,746	37,795,234
G	Administrative Costs	132,678	132,678	265,356
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 20,543,166</b>	<b>\$ 17,517,424</b>	<b>\$ 38,060,590</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby  
 certify that the above is a true and accurate Recognized Obligation  
 Payment Schedule for the above named successor agency.

\_\_\_\_\_  
 Name Title

/s/ \_\_\_\_\_  
 Signature Date







**Hercules Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances  
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [CASH BALANCE TIPS SHEET](#)

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information by ROPS Period</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	<b>Comments</b>	
<b>ROPS 15-16A Actuals (07/01/15 - 12/31/15)</b>									
1	<b>Beginning Available Cash Balance (Actual 07/01/15)</b>	6,512,453				(2,250,985)			
2	<b>Revenue/Income (Actual 12/31/15)</b> RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015						5,197,500		
3	<b>Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)</b>						5,197,500		
4	<b>Retention of Available Cash Balance (Actual 12/31/15)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	6,512,453							
5	<b>ROPS 15-16A RPTTF Balances Remaining</b>	No entry required							
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ (2,250,985)	\$ -		
<b>ROPS 15-16B Estimate (01/01/16 - 06/30/16)</b>									
7	<b>Beginning Available Cash Balance (Actual 01/01/16)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 6,512,453	\$ -	\$ -	\$ -	\$ (2,250,985)	\$ -		
8	<b>Revenue/Income (Estimate 06/30/16)</b> RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016						5,249,275	Estimate. Did not receive check from county yet.	
9	<b>Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)</b>						14,680,284		
10	<b>Retention of Available Cash Balance (Estimate 06/30/16)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)</b>	\$ 6,512,453	\$ -	\$ -	\$ -	\$ (2,250,985)	\$ (9,431,009)		

**Hercules Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017**

<b>Item #</b>	<b>Notes/Comments</b>
1	Comprised of principal \$2,015,000 and interest \$990,792; interest \$941,577
2	Comprised of principal \$260,000 and interest \$1,182,704; interest \$1,177,959
3	Comprised of principal \$350,000 and interest \$331,184; interest \$321,209
4	Comprised of principal \$330,000 and interest \$211,263; interest \$204,456
5	
6	
7	Owner Participation Agreement-Promedia. This is a senior obligation listed on the official statements of the Agencies 2005 and 2007 bonds. This is an enforceable obligation.
8	Owner Participation Agreement-Biorad. This is a senior obligation listed on the official statements of the Agencies 2005 and 2007 bonds. This is an enforceable obligation.
9	Owner Participation Agreement-EastGroup (Easthill). This is a senior obligation listed on the official statements of the Agencies 2005 and 2007 bonds. This is an enforceable obligation.
10	
11	Lewis Development Agreement. Since the property is owned by the Agency, the payment of special taxes and assessments is an enforceable obligation.
12	
13	
14	City loan entered into on 3/8/11. The loan document states the source of funds are from Development Impact Fees. These sources are highly restricted and are only to be used for their intended purposes. This is an enforceable obligation.
15	
16	Co-Operation Agreement: Repayment agreement for Cash Advances. Resolution 83-18 adopted February 9, 1983 within 2 yrs of creation of the redevelopment agency. Per HSC 34171(d)(2) thi is an enforceable obligation. Total Obligation is \$50,496,029. Upon receipt of Finding of Completion by the State Dept. of Finance.
17	
18	
20	
21	
22	
24	Property Taxes. These are delinquent taxes for former redevelopment agency owned properties. The property is known as Sycamore Crossing. This is an enforceable obligation.
25	
26	
27	
28	
29	Review of RDA performed by State Controllers Office. August 2011 the State Controllers Office performed an on site review of the former Redevelopment Agency. The amount represents the invoice received from the State Controllers Office.

**Hercules Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017**

Item #	Notes/Comments
	The following taxing entities have subordinated their payments for 6 fiscal years (FY2010/11 through FY2016/17). This is an estimate of what is owed to the taxing entities based on what was owed for FY2010/11.
	1003 Contra Costa County General \$882,300.09
	1206 Library \$95,342.17
	2505 Contra Costa Flood Control \$19,637.80
	2530 Flood Control Zone Z8 \$2,314.69
	2531 Flood Control Zone Z8A \$3,744.30
	2825 Contra Costa Water Agency \$4,001.34
	3011 Rodeo-Hercules Fire District \$841,418.83
	3301 Mosquito Abatement \$17,485.44
	3525 West Contra Costa Hospital \$171,473.12
	4001 East Bay Municipal Utility District \$160,642.30
	4009 Bay Area Rapid Transt District \$70,823.27
	4010 Bay Area Air Quality Management District \$20,644.47
	4026 East Bay Regional Parks \$336,603.82
	4211 Hercules \$540,936.69
	6901 Contra Costa County Superintendent of Schools \$154,852.46
	6999 K-12 ERAF \$1,581,099.94
	7701 West Contra Costa Unified School District \$3,480,652.21
	7901 Communit College District \$517,182.75
	7999 Community College ERAF \$235,421.62

**Recognized Obligation Payment Schedule (ROPS 16-17) - Summary**

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Hercules  
 County: Contra Costa

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<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 20,543,166</b>	<b>\$ 17,517,424</b>	<b>\$ 38,060,590</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
 Name Title  
 /s/ \_\_\_\_\_  
 Signature Date